



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
(916) 322-2270 • FAX (916) 324-3984
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

KRISTINE CAZADD
Executive Director

**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento**

PRELIMINARY RECORD OF BOARD ACTIONS

Monday, June 25, 2012

The following is a preliminary record of Board actions taken at the June 25-27, 2012 Sacramento Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone Claudia Madrigal at 916-324-8261 or email: Claudia.Madrigal@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Board Meeting

Q. Closed Session



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Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento

PRELIMINARY RECORD OF BOARD ACTIONS

Tuesday, June 26, 2012

The following is a preliminary record of Board actions taken at the June 25-27, 2012 Sacramento Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

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Board Committee Meetings Please see Page 11, O., Adoption of Board Committee Reports and Approval of Committee Actions, for voting results.

Board Meeting

A. Homeowner and Renter Property Tax Assistance Hearings
There are no items for this matter.

B. Corporate Franchise and Personal Income Tax Hearing

B1. Henry F. Lenartz and Nona M. Lenartz, 524571

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. The Board ordered that the appeal be submitted for decision, granting the appellant 30 days to submit supporting documents, the Franchise Tax Board 30 days to respond, and the Appeals Division 30 days thereafter to review the parties' submissions and provide its recommendation to the Board.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C. Sales and Use Tax Appeals Hearings

C1. Rajesh Prakash Sharma and Zarina Ali Sharma, 267189 (KH) – Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
Approved staff recommendation.	Ms. Steel	Yes
The Board directed staff to inform the taxpayer of the Offer in Compromise program.	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C2. Bruce Sam Chhuth and Bopha Tep, 401822, 420939 (KH) – Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
Approved staff recommendation.	Ms. Steel	Yes
The Board directed staff to inform the taxpayer of the Offer in Compromise program.	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C3. ~~Point of Contact, Inc., 494400 (CH) +~~

D. Special Taxes Appeals Hearings

These items are scheduled for Wednesday, June 27, 2012.

E. Property Tax Appeals Hearings
There are no items for this matter.

F. Public Hearings

F1. [Business Taxpayers' Bill of Rights Hearings](#)

F2. [Property Taxpayers' Bill of Rights Hearings](#)

F3. Proposed adoption of amendments to Regulation 1618, *United States Government Supply Contracts*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

G. Tax Program Nonappearance Matters – Consent**G1. Legal Appeals Matters**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Hearing Notices Sent – No Response
 1. Kingdom Holdings, LLC, 464450, 535888 (EA)
 2. Hue V. Nguyen, 512848 (CH)
 3. Julie Trinh To, 528697 (CH)
- Petitions for Release of Seized Property
 4. Manjit Kumar, 605920 (ET)
 5. Vu Haduong, 605941 (ET)
 6. Mohinder Singh Aulakh and Hardip Kaur Aulakh, 607222 (ET)

G2. Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Decisions
 1. James E. Butler, 492945
 2. Robin Beale Cameron, 552840
 3. James D. Crawford, 550717
 4. DF & RW, Inc., 563141
 5. Donald Ferris, 559100
 6. Inja Han, 535228
 7. Hiyasmin Harper, 569284
 8. Mark E. Holm, 554215
 9. Janice Tickner Leonard, 515738
 10. Kien D. Nguyen, 550763
 11. Julie A. Smith, 560396
 12. Guadalupe Isabel Vollowitz, 577721
 13. Williams-Sonoma, Inc. & Subsidiaries, 519857
 14. Justin Wilson, 550371
 15. Fariba Zaeni, 575031
- Petitions for Rehearing
 16. Kamleshwar C. Gunsagar and Anita Gunsagar, 484764
 17. Reyad Sarraj and Nouzat Kanbar, 495511

- G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.

G4. Sales and Use Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton Ms. Steel Mr. Runner Ms. Yee Mr. Chiang/ Ms. Mandel	Yes Yes Yes Yes Yes – except not participating in sub-item 8.

- Redeterminations
 1. VF Imagewear (West), Inc., 576306 (OH)
 2. Goosebumps, LLC, 459822 (GH)
- Denials of Claims for Refunds
 3. Nissan Motor Acceptance Corporation, 531176 (OH)
 4. Toro Petroleum Corporation, 569989 (GH)
 5. Hyundai Capital America, 539349 (EA)
 6. KCI USA, Inc., 459612 (OH)
 7. Bloomberg, LP, 602935 (OH)
 8. Cellco Partnership, 493217 (OH)
 9. Oracle USA, Inc., 539350 (CH)

G5. Sales and Use Tax Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton Ms. Steel Mr. Runner Ms. Yee Mr. Chiang/ Ms. Mandel	Yes Yes Yes Yes Yes – except not participating in sub-item 16.

- Credits and Cancellations
 1. Victor Sampson, 510321 (AC)
 2. Nhon V. Ha, 606428 (CH)
 3. Saeed Shadravan, 521439 (AA)
- Refunds
 4. Nissan Motor Acceptance Corporation, 531176 (OH)
 5. Toro Petroleum Corporation, 569989 (GH)
 6. Chevron U.S.A., Inc., 567530 (BH)
 7. Vanderbeek Motors, Inc., 553177 (KH)
 8. Western Digital Technologies, Inc., 605744 (EA)
 9. Hyundai Capital America, 539349 (EA)
 10. CEC Entertainment, Inc., 524918 (OH)
 11. KCI USA, Inc., 459612 (OH)

12. Bloomberg, LP, 602935 (OH)
13. Ivy Hill Corporation, 531331 (OH)
14. Earnhardt Aviation, LLC, 595083 (UT)
15. Westinghouse Electric Company, LLC, 531012 (OH)
16. Cellco Partnership, 493217 (OH)
17. Sam International Information Technology, Inc., 536225 (GH)
18. Vision Advertising, Inc., 496576 (AS)
19. Sierra Central Credit Union, 594076 (KH)
20. International Communications, Inc., 486228 (AA)
21. Applied Aerospace Structures Corporation, 606063 (KH)
22. Oracle USA, Inc., 539350 (CH)
23. Family Products, LLC, 604034 (AC)
24. Verint Americas, Inc., 589721 (OH)
25. Premier Auto Credit, 466582 (AC)
26. ATS Automation Tooling System, Inc., 578096 (OH)
27. Summit Entertainment, LLC, 593637 (AS)

G6. Special Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

➤ Relief of Penalty

1. Blue Cross of California PTN Plan, 604898 (ET) 'CF'

There are no items for the following matters:

- G7. Special Taxes Matters – Credits, Cancellations, and Refunds
 G8. Property Tax Matters
 G9. Cigarette License Fee Matters
 G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory

H1. Legal Appeals Matters

➤ Cases Heard Not Decided

1. Eric Anthony Guidice, 380212 (ET)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

2. Malvinder Sonny Matharu, 515190 (MT)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Mr. Horton Ms. Steel Mr. Runner Ms. Yee Mr. Chiang/ Ms. Mandel	

H2. Franchise and Income Tax Matters

➤ Hearing Notice Sent – Appearance Waived

1. Reginald D. Davis and Rebecca J. Joslin-Davis, 534788

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton Ms. Steel Mr. Runner Ms. Yee Mr. Chiang/ Ms. Mandel	Yes Yes Yes Yes Yes

There are no items for the following matters:

H3. Homeowner and Renter Property Tax Assistance Matters

H4. Sales and Use Taxes Matters

H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

H6. Special Taxes Matters

H7. Special Taxes Matters – Credits, Cancellations, and Refunds

H8. Property Tax Matters

H9. Cigarette License Fee Matters

H10. Legal Appeals Property Tax Matters

I. Tax Program Nonappearance Matters

I1. Property Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton Ms. Steel Mr. Runner Ms. Yee Mr. Chiang/ Ms. Mandel	Yes Yes Yes Yes Not Participating

➤ Board Roll Changes

1. 2008, 2009, 2010, and 2011 Board Rolls of State-Assessed Property 'CF'

I2. Offer in Compromise Recommendations

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

1. David Paul Curtis
2. Joan M. Dandoy
3. Harry Fred Koelling
4. Kuo Tai Lei
5. Samer Naim Musharbash
6. Jacob Peter Schildgen
7. Gloria Lynn Stoddard
8. Martin Bryce Wolter

I3. Local Tax Reallocation Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Jurisdictions' petitions denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

➤ Waived Appearance

1. Cities of Anaheim, Antioch, Brea, Chula Vista, Concord, Corona, El Cajon, Escondido, Fairfield, Fresno, Modesto, Oceanside, Pomona, Redding, Richmond, Riverside, Roseville, Sacramento, San Bernardino, San Diego, San Jose, San Leandro, Santa Ana, Santa Clara, Santa Clarita, Santa Rosa, Simi Valley, Stockton, Tustin, Vallejo, and County of Sacramento, 510883, 510895, 511174, 511175, 511178, 511193, 511194, 511196, 511456, 511627

Chief Counsel Matters

There are no items for the following matters:

- J. Rulemaking
- K. Business Taxes
- L. Property Tax
- M. Other Chief Counsel Matters

Administrative Session

The following items are scheduled for Wednesday, June 27, 2012.

- N. Consent Agenda
- O. Adoption of Board Committee Reports and Approval of Committee Actions
- P. Other Administrative Matters

Q. Closed Session



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450 N Street, Room 121, Sacramento

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Wednesday, June 27, 2012

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Board Meeting

C. Sales and Use Tax Appeals Hearings

~~C4. James Michael Duggan, 441787 (UT)~~

C5. Ralph Louis Tocci, 460529, 468214 (CH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. The Board ordered that the petition be submitted for decision, granting the petitioner 30 days to file supporting documents, the Department 30 days to respond, and the Appeals Division 30 days thereafter to review the parties' submissions and provide its recommendation to the Board.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C6. Hung Van Pham, 486918 (BH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. The Board ordered that the petition be submitted for decision, granting the Department 60 days to conduct an investigation and file supporting documents, the petitioner 30 days to respond, and the Appeals Division 30 days thereafter to review the parties' submissions and provide its recommendation to the Board.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes
The Board directed staff to inform the taxpayer of the Offer in Compromise program.		

D. Special Taxes Appeals Hearings

D1. California Insurance Company, 457613 (ET) 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not participating

D2. Hamid Maghsoudi and Ghazal Valiyee, 438138 (MT)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied. The Board directed staff to inform the taxpayer of the Offer in Compromise program.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	No
	Mr. Chiang/ Ms. Mandel	No

N. Consent Agenda

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- N1. Retirement Resolutions
- Peggy Robinson
 - Shirley Smith
 - Georgia Warner
 - Kaylyn Warren
- N2. Approval of Board Meeting Minutes
- March 20-21, 2012
- N3. Approval of Board Meeting Date Change

O. Adoption of Board Committee Report and Approval of Committee Actions**O1. Legislative Committee**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein.	Mr. Horton	Yes
	Ms. Steel	Yes
For details see:	Mr. Runner	Yes
http://www.boe.ca.gov/legdiv/legmeetings12.htm	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~O2. Customer Service and Administrative Efficiency Committee~~**O3. Business Taxes Committee**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein.	Mr. Horton	Yes
	Ms. Steel	Yes
For details see:	Mr. Runner	Yes
http://www.boe.ca.gov/meetings/btc2012.htm	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

P. Other Administrative Matters**P1. Executive Director's Report**

1. Report on time extension for Alpine, Amador, Colusa, El Dorado, Inyo, Mendocino, Monterey, Plumas, San Luis Obispo, Sierra, Sonoma, and Tehama Counties to complete and submit 2012/13 Local Assessment Rolls, pursuant to Revenue and Taxation Code section 155.

~~2. CROS Project Update and Actions~~~~3. Introduction of Proposed Customer Service Improvements Initiative~~

P2. Chief Counsel Report
There are no items for this matter.

P3. Sales and Use Tax Deputy Director's Report
~~1. Collection Cost Recovery Fee~~

P4. Property Tax and Special Taxes Deputy Director's Report
~~1. Fire Prevention Fee Program~~

P5. Administration Deputy Director's Report
1. Contract Over \$1 Million

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not participating

~~2. Headquarters Facilities Update~~~~3. 2012/13 Budget Update~~~~4. 2013/14 Budget Concepts~~~~a. Fuel Tax Swap Refund Workload~~~~b. FISCAL Implementation Resources~~~~c. Headquarters Consolidation~~~~d. Accounts Receivable Growth~~~~e. Special Taxing Jurisdictions Increased Workload~~

P6. Technology Deputy Director's Report
There are no items for this matter.

P7. External Affairs Deputy Director's Report
~~1. BOE Logo Presentation~~

Q. Closed Session**Adjourn**